GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:1230
ANSWERED ON:29.07.2003
NATIONAL FERTILIZERS LTD.
SADASHIVRAO DADOBA MANDLIK

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

e :

(a) whether it is a fact that more than 2.66 lakh shares of National Fertilizers Limited were traded on the BSE on 1st July, 2003;

(b) if so, the rate on which these were traded in the market;

(c) whether these shares were traded below its earlier price;

(d) if so, the reasons therefor;

(e) whether Chairman/MD of National Fertiliser Limited, made astatement that the company disinvestments would be undertaken below its market price;

(f) if so, the reasons for making such a statement and its impact on share market;

(g) whether it is a fact that due to this statement prices of shares of NFL came down heavily; and

(h) if so, the action taken by Government against Chairman/MD of NFLfor making such a statement which caused loss to the Government and the small investors in crores of rupees?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (DR. CHHATTRA PAL SINGH)

(a) The shares traded on 1.7.2003 were 265579 in number (as per Economic Times newspaper dated 2.7.2003).

(b) The closing rate on 1.7.2003 was Rs. 56.05 per share.

(c) The closing rate on 30.6.2003 was Rs. 67.45 per share.

(d) The share prices, which have been fluctuating on daily basis, increased substantially from Rs. 42.00 per share as on 23.6.2003 to Rs. 67.45 per share on 30.6.2003. Further, it increased to Rs. 68.75 per share as on 10.7.2003.

(e) CMD, NFL had participated in the panel discussions on "The effect ofmonsoon on sales of urea" on CNBC Channel on 1.7.2003. During discussions on the realization from disinvestment, though CMD, NFL had replied that he would not like to hazard any guess, on repeated persistence, he replied that as per his estimation, it should fetch more than Rs. 1000 crore.

(f) to (h) : The share prices of NFL were fluctuating very significantly frommid-June 2003 onwards. The prices have been fluctuating from Rs. 40 per share on 16.6.2003 to a peak of Rs. 68.75 per share as on 10.7.2003. It is not possible to assign specific reasons for the fluctuation in the share value on day-to-day basis.